

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NORTH DAKOTA

UNITED STATES OF AMERICA

v.

BRADY DANIEL TORGERSON;
BRENT D. TORGERSON; and
KELLY M. HUFFMAN

INDICTMENT

Case No. _____

Violations: 18 U.S.C. §§ 1344, 1349, 656,
1005, 1028A(a)(1), and 2

COUNT ONE

Bank Fraud

The Grand Jury Charges:

1. The Charge. Between on or about November 1, 2019, and on or about January 19, 2021, in the District of North Dakota,

BRADY DANIEL TORGERSON,

individually, and by aiding and abetting, with the intent to defraud, knowingly executed and attempted to execute a scheme to:

- (1) Defraud First Security Bank – West (FSB-W), a financial institution, whose deposits were insured by the Federal Deposit Insurance Corporation (FDIC), and
- (2) Obtain any of the money, funds, assets, and other property owned by, and under the custody and control of FSB-W, a financial institution, whose deposits were insured by the Federal Deposit Insurance Corporation (FDIC), by means of false and fraudulent pretenses, representations, and promises;

2. The Scheme: During the above timeframe, BRADY DANIEL TORGERSON served as both the President of FSB-W and the chairman of the FSB-W

credit committee. In these capacities, BRADY DANIEL TORGERSON had the ability to issue loans on behalf of FSB-W to FSB-W customers. Additionally, in this capacity, BRADY DANIEL TORGERSON had fiduciary duties to both FSB-W and FSB-W customers.

During the above timeframe, BRADY DANIEL TORGERSON engaged in Bank Fraud against FSB-W by, including, but not limited to:

- Funding FSB-W loans without obtaining promissory notes, necessary financial information, and security interest documents pertaining to collateral;
- Failing to enter FSB-W loan information into FSB-W's computer system;
- Increasing the maximum loan amount on FSB-W loans in excess of the original loan amounts;
- Advancing FSB-W funds on FSB-W loans in excess of the original loan amounts;
- Extending FSB-W loan maturity dates in FSB-W's computer system without proper approval to conceal this information from FSB-W;
- Issuing FSB-W funds to individuals not entitled to these funds;
- Issuing twenty (20) FSB-W Bank Money Orders against the FSB-W general ledger account, without properly crediting and funding these transactions, which created an overdraft of approximately \$724,558.48 on FSB-W's general ledger account;

- Physically withholding copies of the twenty (20) FSB-W Bank Money Orders;
- Failing to register banking transactions into the FSB-W computer system, including, but not limited to, not properly registering the twenty (20) FSB-W Bank Money Orders;
- Taking actions to conceal, create a false impression, mislead, and otherwise deceive FSB-W, including, but not limited to, manipulating data contained in FSB-W's computer system, and failing to obtain required FSB-W approval;
- Directing other individuals to take actions that concealed, created a false impression, misled, and otherwise deceived FSB-W; and
- Violating his fiduciary duties to both FSB-W and FSB-W customers by engaging in deceptive banking practices.

In violation of Title 18, United States Code, Sections 1344, 1349, and 2.

COUNT TWO

Bank Fraud

The Grand Jury Further Charges:

1. The Charge. Between on or about January 25, 2021, and on or about July 21, 2021, in the District of North Dakota,

BRADY DANIEL TORGERSON,

individually, and by aiding and abetting, with the intent to defraud, knowingly executed and attempted to execute a scheme to:

(1) Defraud The Union Bank, a financial institution, whose deposits were insured by the Federal Deposit Insurance Corporation (FDIC), and

(2) Obtain any of the money, funds, assets, and other property owned by, and under the custody and control of The Union Bank, a financial institution, whose deposits were insured by the Federal Deposit Insurance Corporation (FDIC), by means of false and fraudulent pretenses, representations, and promises;

2. The Scheme: During the above timeframe, BRADY DANIEL TORGERSON was either an applicant with or served as a loan officer at The Union Bank. In BRADY DANIEL TORGERSON's capacity as a loan officer, he had the ability to issue loans on behalf of The Union Bank to The Union Bank customers. Additionally, in this capacity, BRADY DANIEL TORGERSON had fiduciary duties to both The Union Bank and The Union Bank customers.

During the above timeframe, BRADY DANIEL TORGERSON engaged in Bank Fraud against The Union Bank by, including, but not limited to:

- Obtaining, on January 25, 2021, a \$724,558.48 Cashier's Check, number 10477, payable to First Security Bank – West issued against The Union Bank's general ledger account, from his father, Brent D. Torgerson, a loan officer at The Union Bank, without first obtaining the necessary promissory notes, financial information, and security interest documents pertaining to collateral, which created a loss to The Union Bank;
- Creating, between January 25, 2021, and January 29, 2021, fraudulent loan obligations against James Hauser and Jerrie Hauser, in the approximate amount of \$225,487.45, and Jesse Hauser, in the approximate amount of \$225,487.44, when these individuals were neither responsible for these loan obligations nor received the proceeds and benefits of these fraudulent loan obligations;
- Taking actions to conceal, create a false impression, mislead, and otherwise deceive The Union Bank;
- Directing other individuals to take actions that concealed, created a false impression, misled, and otherwise deceived The Union Bank; and
- Violating his fiduciary duties to both The Union Bank and The Union Bank customers by engaging in deceptive banking practices.

In violation of Title 18, United States Code, Sections 1344, 1349, and 2.

COUNT THREE

Misapplication of Bank Funds

The Grand Jury Further Charges:

Between on or about November 1, 2019, and on or about January 19, 2021, in the District of North Dakota,

BRADY DANIEL TORGERSON,

individually, and by aiding and abetting, being an officer, director, agent, and employee of First Security Bank – West (FSB-W), a financial institution, whose deposits were insured by the Federal Deposit Insurance Corporation (FDIC), with the intent to:

(1) Injure FSB-W; (2) Defraud FSB-W; and (3) Deceive FSB-W's officers, directors, and examiners, willfully misapplied moneys, funds, assets, security, and credits, in an aggregate amount of more than \$1,000.00, belonging to FSB-W by, including, but not limited to:

- Issuing twenty (20) FSB-W Bank Money Orders against the FSB-W general ledger account, without properly crediting and funding these transactions, which created an overdraft of approximately \$724,558.48 on FSB-W's general ledger account;
 - Physically withholding copies of the twenty (20) FSB-W Bank Money Orders; and
 - Failing to properly register the twenty (20) FSB-W Bank Money Orders;
- In violation of Title 18, United States Code, Sections 656 and 2.

COUNT FOUR

Misapplication of Bank Funds

The Grand Jury Further Charges:

Between on or about January 26, 2021, and on or about July 21, 2021, in the District of North Dakota,

BRADY DANIEL TORGERSON,

individually, and by aiding and abetting, being an officer, director, agent, and employee of The Union Bank, a financial institution, whose deposits were insured by the Federal Deposit Insurance Corporation (FDIC), with the intent to: (1) Injure The Union Bank; (2) Defraud The Union Bank; and (3) Deceive The Union Bank's officers, directors, and examiners, willfully misapplied moneys, funds, assets, security, and credits, in an amount more than \$1,000.00, belonging to The Union Bank by, including, but not limited to:

- Creating, between January 26, 2021, and January 29, 2021, fraudulent loan obligations against James Hauser and Jerrie Hauser at The Union Bank, in the approximate amount of \$225,487.45, and Jesse Hauser, in the approximate amount of \$225,487.44, when these individuals were neither responsible for these loan obligations nor received the proceeds and benefits of these fraudulent loan obligations;
- Brady Daniel Torgerson facilitated the transfer of funds through a January 25, 2021, Cashier's Check, number 10477, payable to First Security Bank – West in the amount of \$724,558.48, issued against The Union Bank's general ledger account, from his father, Brent D. Torgerson, a loan officer

at The Union Bank, without first obtaining the necessary promissory notes, financial information, and security interest documents pertaining to collateral, which created a loss to The Union Bank;

- Additionally, between on or about January 26, 2021, and on or about July 21, 2021, Brady Daniel Torgerson, knowing these loans were fraudulent, failed to disclose that he had created the above fraudulent loan obligations to The Union Bank, James Hauser, Jerrie Hauser, and Jesse Hauser;

In violation of Title 18, United States Code, Sections 656 and 2.

COUNT FIVE

Misapplication of Bank Funds

The Grand Jury Further Charges:

On or about January 25, 2021, in the District of North Dakota,

BRENT D. TORGERSON,

individually, and by aiding and abetting, being an officer, director, agent, and employee of The Union Bank, a financial institution, whose deposits were insured by the Federal Deposit Insurance Corporation (FDIC), with the intent to deceive The Union Bank's officers, directors, and examiners, willfully misapplied moneys, funds, assets, security, and credits, in an amount more than \$1,000.00, belonging to The Union Bank, by:

- Issuing a January 25, 2021, Cashier's Check, number 10477, payable to First Security Bank – West in the amount of \$724,558.48, issued against The Union Bank's general ledger account, to his son, Brady Daniel Torgerson, without first obtaining the necessary promissory notes, financial information, and security interest documents pertaining to collateral, which created a loss to The Union Bank;

In violation of Title 18, United States Code, Sections 656 and 2.

COUNT SIX

Misapplication of Bank Funds

The Grand Jury Further Charges:

On or about January 29, 2021, in the District of North Dakota,

KELLY M. HUFFMAN,

individually, and by aiding and abetting, being an officer, director, agent, and employee of First Security Bank – West (FSB-W), a financial institution, whose deposits were insured by the Federal Deposit Insurance Corporation (FDIC), with the intent to deceive FSB-W's officers, directors, and examiners, willfully misapplied moneys, funds, assets, security, and credits, in an amount more than \$1,000.00, belonging to FSB-W, by:

- Issuing an FSB-W Bank Money Order, number 4469273206, payable to The Union Bank, in the amount of \$125,648.64, at the request of Brady Daniel Torgerson, who was no longer an employee of FSB-W, but instead an employee of The Union Bank;
- Issuing this FSB-W Bank Money Order as a check advance on FSB-W loans for customer MOLCO LLC and extending the maturity date of these loans;
- Failing to obtain approval from FSB-W to initiate these transactions;
- Failing to inform FSB-W of these transactions before resigning his position at FSB-W; and
- Thereafter, beginning employment at The Union Bank;

In violation of Title 18, United States Code, Sections 656 and 2.

COUNT SEVEN

False Entry in Bank Records

The Grand Jury Further Charges:

1. The Charge. Between on or about November 1, 2019, and on or about January 19, 2021, in the District of North Dakota,

BRADY DANIEL TORGERSON,

individually, and by aiding and abetting, with the intent to deceive an officer of First Security Bank – West (FSB-W), a financial institution, whose deposits were insured by the Federal Deposit Insurance Corporation (FDIC), knowingly made and caused to be made a false entry in a book, report, and statement of FSB-W, by:

- Issuing twenty (20) FSB-W Bank Money Orders against the FSB-W general ledger account, without properly crediting and funding these transactions, which created an overdraft of approximately \$724,558.48 on FSB-W's general ledger account;
- Physically withholding copies of the twenty (20) FSB-W Bank Money Orders from FSB-W; and
- Failing to properly register the twenty (20) FSB-W Bank Money Orders;

when, in truth and in fact, the defendant knew that the above entries and omission of entries were false.

In violation of Title 18, United States Code, Sections 1005 and 2.

COUNT EIGHT

False Entry in Bank Records

The Grand Jury Further Charges:

Between on or about January 25, 2021, and on or about July 21, 2021, in the District of North Dakota,

BRADY DANIEL TORGERSON,

individually, and by aiding and abetting, with the intent to deceive an officer of The Union Bank, a financial institution, whose deposits were insured by the Federal Deposit Insurance Corporation (FDIC), knowingly made and caused to be made a false entry in a book, report, and statement of The Union Bank, by:

- Creating, between January 25, 2021, and January 29, 2021, fraudulent loan obligations against James Hauser and Jerrie Hauser at The Union Bank, in the approximate amount of \$225,487.45, and Jesse Hauser, in the approximate amount of \$225,487.44, when these individuals were neither responsible for these loan obligations nor received the proceeds and benefits of these fraudulent loan obligations.
- Additionally, between on or about January 25, 2021, and on or about July 21, 2021, Brady Daniel Torgerson, knowing these loans were fraudulent, failed to disclose that he had created the above fraudulent loan obligations to The Union Bank, James Hauser, Jerrie Hauser, and Jesse Hauser;

when, in truth and in fact, the defendant knew the above entries and omission of entries were false.

In violation of Title 18, United States Code, Sections 1005 and 2.

COUNT NINE

Aggravated Identity Theft

The Grand Jury Further Charges:

Between on or about January 25, 2021, and on or about July 21, 2021, in the District of North Dakota,

BRADY DANIEL TORGERSON

did knowingly possess and use, without lawful authority, a means of identification of another person, namely, the name, address, and purported signature belonging to James Hauser, during and in relation to a felony violation enumerated in 18 U.S.C. § 1028A(c), namely, bank fraud, in violation of 18 U.S.C. §§ 1344 and 1349, as described in Count Two of the Indictment, knowing that the means of identification belonged to another actual person;

In violation of Title 18, United States Code, Sections 1028A(a)(1), 1344, and 1349.

COUNT TEN

Aggravated Identity Theft

The Grand Jury Further Charges:

Between on or about January 25, 2021, and on or about July 21, 2021, in the District of North Dakota,

BRADY DANIEL TORGERSON

did knowingly possess and use, without lawful authority, a means of identification of another person, namely, the name, address, and purported signature belonging to Jerrie Hauser, during and in relation to a felony violation enumerated in 18 U.S.C. § 1028A(c), namely, bank fraud, in violation of 18 U.S.C. §§ 1344 and 1349, as described in Count Two of the Indictment, knowing that the means of identification belonged to another actual person;

In violation of Title 18, United States Code, Sections 1028A(a)(1), 1344, and 1349.

COUNT ELEVEN

Aggravated Identity Theft

The Grand Jury Further Charges:

Between on or about January 25, 2021, and on or about July 21, 2021, in the
District of North Dakota,

BRADY DANIEL TORGERSON

did knowingly possess and use, without lawful authority, a means of identification of
another person, namely, the name, address, and purported signature belonging to Jesse
Hauser, during and in relation to a felony violation enumerated in 18 U.S.C. § 1028A(c),
namely, bank fraud, in violation of 18 U.S.C. §§ 1344 and 1349, as described in Count
Two of the Indictment, knowing that the means of identification belonged to another
actual person;

In violation of Title 18, United States Code, Sections 1028A(a)(1), 1344, and
1349.

A TRUE BILL:

/s/ Foreperson

Foreperson

/s/ Nicholas W. Chase

NICHOLAS W. CHASE

Acting United States Attorney

JJO/tmg